Lower recovery of Income Tax

†1400. SHRI KRISHAN LAL BALMIKI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that there is lower recovery of Income Tax despite increase in number of foreign companies and employees;

(b) if so, the details of review of reasons for the same by Government; and

(c) the steps being taken by Government for registering increase in the recovery of Income Tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, sir. The collection of income tax in the current financial year till 15th November 2006 amounts to Rs. 98,298 crore as against Rs. 69,465 crore collected during the corresponding period of last financial year. Even recovery of outstanding income tax dues in the current year till September 2006 amounts to Rs. 8,033 crore as compared to Rs. 4,276 crore recovered during April-September 2005.

(b) Does not arise in view of reply to para (1) above.

(c) Apart from the statutory steps being taken for recovery of outstanding tax dues as prescribed under the Income Tax Act (including attachment of bank account, debtors, etc. attachment and sale of immovable property, etc.) the following special measures are also being taken to expedite recovery of direct tax arrears:

i. Monitoring of recovery of arrears in large cases by a Task Force.

ii. Identification of cases involving substantial amount of arrears pending before Commissioners (Appeals) and ITAT and requesting these authorities to dispose off such appeals early so that the demand can be collected during the current financial year itself.

iii. Requesting the President of ITAT not to allow stay of demand beyond 180 days as prescribed in section 254(2A) of the Income Tax Act.

iv. Requesting Settlement Commission to dispose off high-demand cases expeditiously.